

# Montana Division of Banking and Financial Institutions

## **Transition to the National Mortgage Licensing System**

# Important Legislation

- The Federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) requires mortgage loan originators to be licensed through the NMLS
  - Signed by President Bush on July 31, 2008
- The Montana Mortgage Broker, Mortgage Lender and Mortgage Loan Originator Licensing Act (Act) was passed during the 2009 Regular Legislative Session
  - Amendments contained in Senate Bill 351
  - The Act enabled participation in the NMLS

# Nationwide Mortgage Licensing System (NMLS)

- Secure internet-based licensing system for the residential mortgage industry
- The NMLS was created by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR). It is owned and operated by the State Regulatory Registry LLC (SRR), a wholly owned subsidiary of CSBS. The system has been built and maintained by the Financial Industry Regulatory Authority (FINRA).
- The NMLS initiative was begun by state mortgage regulators in 2004 in response to the increased volume and variety of residential mortgage originators and the need to address these changes with modern tools and authorities.
- NMLS launched on January 2, 2008 (ID, IA, KY, NE, NY, MA, RI)

# NMLS

- NMLS streamlines the licensing process for both regulatory agencies and the mortgage industry by providing a centralized and standardized system for mortgage licensing (single licensing record)
- Each state still retains their authority to approve, deny, suspend or revoke licenses
- Real time access through a secure website, 7 days a week, 362 days a year
- Industry can view, update and amend their licensing records
  - System completeness checks for applications and amendments
  - Check status of your application
  - Online payments
  - Electronic communication

# Important Dates To Remember

- January 4, 2010 – Montana is live on the NMLS
- March 1, 2010 – Deadline for transition to the NMLS if you were licensed after July 1, 2009
- May 31, 2010 – Deadline for transition to the NMLS if you were licensed on or before July 1, 2009
- Deadline includes completion of all licensing requirements (National Test, Pre-licensing Education, Criminal and Credit Checks, etc.)

# NMLS Forms

- MU 1 – Uniform Mortgage Lender or Broker Application
  - Completed by companies and sole proprietors.
  - Must be accompanied by one or more MU 2's.
- MU 2 – Uniform Mortgage Biographical Statement & Consent Form
  - Completed by each individual identified as a control person.
- MU 3 – Uniform Mortgage Branch Office Form
  - Completed by companies or sole proprietors with branches in Montana.
- MU 4 – Uniform Individual Mortgage License/Registration & Consent Form
  - Completed by mortgage loan originators

# NMLS System Processing Fees

- MU 1 – Mortgage Lender or Broker Companies or Sole Proprietors
  - \$100 (for initial application and each subsequent renewal)
- MU 3 – Mortgage Branches
  - \$20 (for initial application and each subsequent renewal)
- MU 4 – Mortgage Loan Originators
  - \$30 (for initial application and each subsequent renewal)
  - \$30 mortgage loan originator sponsorship transfer fee (i.e. relocating your license to a new employing mortgage broker or lender)

# Creating an NMLS Account

- Before companies or individuals can submit any of their applications through the NMLS they must create an individual account or base record
- Instructions for setting up these accounts are found on the “getting started” tabs on the NMLS Resource Center
- By setting up this account you will establish your base record in the NMLS (you will not be charged a fee until you request licensure by any state)
- During this account set up you will create your NMLS username and password and will be provided your NMLS unique ID number
- This account should be created before you take the national test (so test results (state or national) and continuing education can be linked back to your record in the NMLS)

# Sponsorship

- Mortgage loan originators must be sponsored by an entity (broker or lender) in order to be licensed
- This sponsorship is similar to how a mortgage loan originator must have an employing entity in Montana that is licensed
- Sponsorship must have attestation
  - MLO can create record and give company access to sponsor them; or
  - Company can create record and give individual access to attest
- A mortgage loan originator who is unsponsored cannot conduct business (i.e. you have lost your employing entity)

# Education

- The Federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) requires that state-licensed mortgage loan originators (MLOs) complete Pre-licensure Education (PE) and annual Continuing Education (CE).
- All PE and CE must be taken through NMLS approved education providers.

# Testing

- All mortgage loan originators must pass a national and state specific tests.
- Passing grades are 75% and above.
- The cost for the national test is \$92 and each state specific component is \$69.
- The national test is available now.
- **Resource Material: NMLS MLO Testing Handbook (NMLS Resource Center)**

# National Test

- All tests must be taken at an approved NMLS Test Center (*Pearson VUE and Prometric*)
- Approved test centers are located in Billings and Helena
- 100 Questions (10 questions not scored)
- Test Time: 150 minutes, plus additional 30 minutes for tutorial and optional survey
- You must schedule an appointment to take the test
- The test is proctored and timed
- You will be allowed to use a calculator that is provided at the test site and nothing else

# National Test

- Test must be passed prior to NMLS Transition Deadlines (March 1, 2010 or May 31, 2010)
- If you fail the test you must wait 30 days to take it again (national test and state test)
- If you fail it 4 times you must wait 6 months to take it again (national test and state test)

# State Test

- Each state has their own test component
- The state component tests will consist of 45-55 scored questions, another 10 questions will not be scored
- Test Time: 90 minutes, plus additional 30 minutes for tutorial and optional survey
- This test is not scheduled to be developed until the beginning of 2010
- This test will not be available to licensees until May or June of 2010

# Test Centers

- **Prometric Testing Center**

- 2225 Broadwater Center, Billings, MT 59102
- Billings - 406-656-4646
- 1075 N. Rodney Street, Suite 110, Helena, MT 59601
- Helena - 406-443-9205

- **Pearson Professional Centers**

- Transwestern 1 Building, 404 North 31st Street, Suite 230, Billings, MT 59101
- Billings - 406-896-8371
- Arcade Building, 111 N. Last Chance Gulch, Suite 4K, Helena, MT 59601
- Helena - 406-442-6775

# Pre-licensing Education

- 20 hours of pre-licensing education (PE) is required for all mortgage loan originators
- However, any mortgage loan originators licensed prior to July 1, 2009 who have completed 20 hours of Montana approved continuing education do not need to complete 20 hours of NMLS approved PE
- The Banking Division will certify to the NMLS that these mortgage loan originators have met the PE requirement
- These mortgage loan originators do not need to provide copies of their education certificates
- If you have completed two license renewal you will be set (each license renewal = 12 CE)

# Pre-licensing Education

- If you have not completed 20 hours of Montana approved CE or if obtained your license after July 1, 2009 you must take 20 hours of NMLS approved PE
- The list of NMLS approved course providers and approved courses is available on the NMLS Resource Center under the “Course Providers” tab
- This must be taken prior to your NMLS Transition Deadline

# Continuing Education

- Required continuing education must be NMLS approved
- All mortgage loan originators must still complete 12 hours of continuing education for regular license renewal
- CE will be due for 1<sup>st</sup> license renewal on NMLS (12/1/10)
- Within these 12 hours there must be a concentration of...
  - 3 hours on federal laws and regulations
  - 2 hours in ethics, including instruction on fraud prevention, consumer protection and fair lending issues
  - 2 hours related to lending standards for the nontraditional mortgage product marketplace

# NMLS Expanded Functionality

- Criminal Background Checks
  - NMLS intends to provide functionality within the system to process fingerprints for the purpose of obtaining a national criminal history background check through the Federal Bureau of Investigation.
- Credit Reports
  - Starting in 2010, NMLS intends to provide functionality within the system to process independent credit reports from a consumer reporting agency for the purpose of obtaining or maintaining a license in one or more jurisdictions.
- Consumer Access
  - Starting in January 2010, *NMLS Consumer Access* will be a separate fully searchable website that allows the public to view certain information about state-licensed companies, branches, and individuals licensed and registered through NMLS.

# NMLS Resource Center

- <http://mortgage.nationwidelicensingsystem.org> (or Google: NMLS)
- Getting started with NMLS
  - Companies
  - Mortgage Loan Originators
- U.S. Map – click on map and then Montana for state specific transition plan
- State Licensing Requirements - Checklists
- Education Information

http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Reload Home Search Favorites RSS Print Mail News RSS

Address http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx Go Links

Google NMLS Search + RS Check Translate AutoFill NMLS Sign In

About NMLS | Contact Us | Got Feedback? | Regulator Sign In


**NMLS Resource Center**
Log into NMLS

Home News & Events Licensees State Licensing Professional Requirements Federal Registration Course Providers

## Welcome to the NMLS Resource Center

The NMLS Resource Center is the official gateway into the Nationwide Mortgage Licensing System (NMLS) and provides users with tools, tips, news and updates.

### Getting Started with NMLS...

Companies	Mortgage Loan Originators	Course Providers
NMLS streamlines the licensing process by using a single record for all state agencies. Learn how to get an account and set up your company record under <a href="#">Getting Started: Company</a> .	NMLS allows either the company or the individual to manage the licensing process. To learn more and to get set up on NMLS, go to <a href="#">Getting Started: Mortgage Loan Originator</a> .	Apply to become an approved course provider, submit courses, maintain offerings, and report course completions here: <a href="#">Getting Started: Course Provider</a> .

### Popular Links

- [RENEWAL - 2010 Streamlined Annual Renewal](#)
- [Testing \(Professional Requirements\)](#)
- [Getting Started: Mortgage Loan Originator](#)
- [Education \(Professional Requirements\)](#)

### State Licensing Requirements

**Find license information for your state**



### NMLS News & Events

**New State Test Components Released**

### State Licensing News

**MLO License Renewal Requirements**

start
Inbox - Microsoft ...
11/2/09 Warrant...
Mortgage Lender
Microsoft PowerP...
http://mortgage...
Internet
2:24 PM

# NMLS Call Center

- NMLS Call Center is open 9 a.m. – 7 p.m. EST Monday through Friday, and Saturday 8 a.m. – 6 p.m. EST (except third Saturday of each month)
- For questions relating to the Nationwide Mortgage Licensing System, please contact the NMLS Call Center at **(240) 386-4444**
- Call center will be able to assist you with technical questions that you may have in using the NMLS
- The Montana Banking Division will not be able to assist you with technical information.

# Data Management

- Applicants and licensees input and manage all their data into the NMLS
- State regulators can view data, but do not have the ability to modify any data that is input by an applicant or licensee
- Therefore, applicants and licensees have complete control over what data is submitted in their applications
- The Banking Division will not have the ability to view data until the applications are submitted to Montana

http://mortgage.nationwidelicensingsystem.org/slr/Pages/default.aspx - Windows Internet Explorer

http://mortgage.nationwidelicensingsystem.org/slr/Pages/default.aspx

File Edit View Favorites Tools Help

Google Search RS Bookmarks Check Translate AutoFill Sign In

Favorites Suggested Sites Web Slice Gallery

http://mortgage.nationwidelicensingsystem.org/slr/Pa...

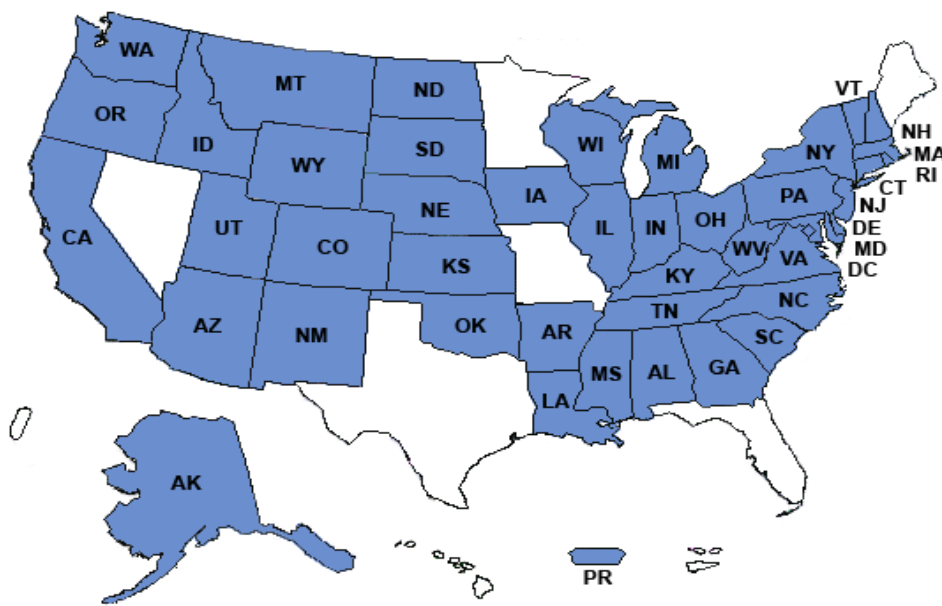
### Common Requirements

- Renewals
- Financial Statements
- Professional Requirements
- Policy

### Transition Chart

Use the map to view a specific jurisdiction's transition plan, licenses and requirements. Use the list of topics to view Common Requirements.

Click on the map or select state here...



**Common Requirements**

The following requirements are handled through a common process for all jurisdictions:

- [Renewals](#) - Annual license renewal for 2010
- [Financial Statements](#) - Submitting financial statements electronically through NMLS
- [Professional Requirements](#) - Testing, education and background check requirements for individual Mortgage Loan Originators
- [Policy](#) - Reference materials and policy guides, including the Policy Guidebook for Licensees

start Microsoft Office... pauls office produc... http://mortgage.n... NMLS Microsoft PowerPoi... 3:09 PM

# Questions

